

Office of Personnel Management

§ 575.507

to offer an extended assignment incentive, unless there is no official at a higher level in the agency.

§ 575.504 What requirements must an agency satisfy before authorizing the payment of an extended assignment incentive?

Before paying an extended assignment incentive under this subpart, an agency must establish an extended assignment incentive plan. This plan must include the following elements:

- (a) The designation of authorized agency officials who must review and approve the payment of extended assignment incentives;
- (b) The categories of employees which are prohibited from receiving an extended assignment incentive;
- (c) The criteria that must be met or considered in authorizing extended assignment incentives, including criteria for determining the size of an incentive;
- (d) The requirements governing service agreements, including the obligations of the agency and the employee when the service period is not completed;
- (e) The procedures for paying extended assignment incentives; and
- (f) Documentation and recordkeeping requirements sufficient to allow reconstruction of the action.

§ 575.505 What criteria must an agency use to determine who will receive an extended assignment incentive?

(a) An agency must base the payment of an extended assignment incentive on a written determination that—

- (1) The eligible employee has completed at least 2 years of continuous service immediately before the commencement of the service agreement in one or more civil service positions located in a particular territory, possession, or commonwealth;
 - (2) It is in the best interest of the Government to encourage the employee to complete a specified additional period of employment with the agency in that location; and
 - (3) Replacing the employee with another employee possessing the required qualifications and experience would be difficult.
- (b) In determining whether it is in the best interest of the Government to

retain an employee under paragraph (a)(2) of this section, an agency may consider how the employee's departure would affect the agency's ability to operate effectively or to carry out an activity or perform a function which the agency deems essential to its mission.

(c) Any determination to approve an extended assignment incentive must be made on a case-by-case basis for each employee. However, an agency may consider common factors that apply to a category of employees, such as past recruitment and retention problems or the anticipation of such problems in the future.

§ 575.506 When is an agency prohibited from paying an extended assignment incentive?

(a) An extended assignment incentive may not be paid to the head of an agency, including an agency headed by a collegial body composed of two or more individual members.

(b) An agency may not begin paying an extended assignment incentive to an otherwise eligible employee who is fulfilling the requirements of a service agreement for the payment of a recruitment or relocation bonus or who is receiving a retention allowance. (See 5 CFR part 575, subparts A, B, and C.)

§ 575.507 What is the maximum extended assignment incentive that may be paid for a period of service?

(a) The total amount of extended assignment incentive payments that may be paid for a service period may not exceed the greater of—

(1) An amount equal to 25 percent of the annual rate of basic pay of the employee at the beginning of the service period times the number of years (including fractions of a year) in the service period; or

(2) \$15,000 per year (including fractions of a year) in the service period.

(b) For hourly rate employees who do not have a scheduled annual rate of basic pay, the annual rate in paragraph (a) of this section is computed by multiplying the applicable hourly rate in effect at the beginning of the service period by 2,087 hours.

(c) The number of years in the service period is computed by dividing the total number of calendar days in the